Investment Idea / IPO Note

Empire Premium Food Berhad

Sushi anyone?

By Crystal Chin

BUY

IPO Price: RM0.70

Fair Value: RM0.89

Empire Premium Food Berhad (EMPIRE: 5351), operates a multi-format sushi retail chain under the Empire Sushi brand across Malaysia, with 143 outlets as of February 2026. We project EMPIRE to register core net earnings of RM44.2m and RM49.1m for FY26F and FY27F. BUY with a fair value of RM0.89 based on 20x PER over FY27F EPS, in line with its clear expansion strategy and structurally superior margins versus peers.

EMPIRE's unit economics are compelling. Each new grab-and-go outlet has an estimated payback period of approximately nine months. Building on this, EMPIRE has allocated RM79.1m to fund the opening of 56 new outlets over FY27–FY29: 15 in FY27, 18 in FY28, and 23 in FY29. Each tranche of 15 new stabilised outlets adds approximately 10% to group revenue based on our RM2.0m per outlet per annum estimate. Targeted locations include shopping centres, airports, and transit hubs with high-footfall, high-visibility sites that support faster outlet maturation versus standalone locations.

According to industry research conducted by Vital Factor Consulting, EMPIRE's net margin of 16% stands in a different league from its closest listed peers, Sushi King at 1.9% and Sushi Zanmai at 11.2%. The grab-and-go format structurally lowers labour intensity, reduces table-turn risk, and eliminates wait-staff costs. Margin discipline is further reinforced by quarterly menu refreshes that systematically replace underperforming SKUs with higher-margin offerings. Adding to this, nearly all outlets are halal-certified, meaningfully broadening EMPIRE's addressable market to Malaysia's Muslim-majority consumer base. Thus, we expect margins to remain stable at 14–16% throughout the expansion phase.

The increase in Malaysia's minimum wage supports household disposable income thus benefiting EMPIRE's value-for-money positioning, a price point accessible across a spectrum of income brackets. We also note the 32.7% YoY growth in e-commerce and food delivery in FY25 as a positive signal for off-premises consumption demand. Management guides same store sales growth (SSSG) of 3–5% for FY26, supported by stronger 2H performance driven by festive season tailwinds, against 1HFY26 SSSG of 1.6%.

We expect EMPIRE's balance sheet to remain healthy, sustaining a net cash position post-listing. The group has committed to a minimum dividend payout of 30% of its net profit, providing capital return discipline alongside the growth investment cycle.

KLCI	1,676.86
YTD FBM KLCI change	-0.19%
YTD FBM SC Index change	-5.80%

Stock Information

Market Cap Upon Listing (RM'm)	770.00
Enlarged Share Capital (m)	1,100.00
Shariah Compliant	Yes

IPO Proceeds (RM'm)

Expansion of outlets (grab-and-go and quick dine-in formats) in various states within Malaysia	79.10
Upgrading and refurbishment of existing outlets	12.60
Working capital	52.10
Defray fees and expenses in relation to its IPO	8.80
Total	**152.60**

Major Shareholders

Empire 11	67.00%

Summary Earnings Table

FY Mar (RM'm)	2024A	2025A	2026F	2027F
Revenue	184.8	235.6	285.5	316.0
EBIT	35.7	51.1	59.5	66.1
Pretax profit	35.2	51.1	59.6	66.2
PATAMI	**26.2**	**37.9**	**44.2**	**49.1**
Core PATAMI	**26.2**	**37.9**	**44.2**	**49.1**
Consensus	-	-	-	-
Core EPS (sen)	2.4	3.4	4.0	4.5
EPS growth (%)	80%	45%	16%	11%
DPS (sen)	0.4	0.8	1.2	1.3
PER (x)	29.4	20.3	17.4	15.7
BV/Share (RM)	0.07	0.27	0.31	0.36
ROE (%)	26.0%	36.4%	20.8%	13.9%
Div. Yield (%)	0.6%	1.2%	1.7%	1.9%

Sources: Prospectus, Rakuten Trade Research

COMMPANY	Definition
Buy	The stock return is expected to exceed the KLCI benchmark by more than 10% over the next 6-12 months.
Trading Buy	Short-term positive development on the stock that could lead to a re-rating in the share price and translate into an absolute return of 10% over the next 3-6 months. Trading Buy is generally for investors who are willing to take on higher risks.
Take profit	The stock return previously recommended has gained by >10%
Hold	The stock return is expected to be in line with the KLCI benchmark (+/- 5%) over the next 6-12 months.
Sell	The stock return is expected to underperform the KLCI benchmark by more than 10% over the next 6-12 months.
SECTOR	
Overweight	Industry expected to outperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
Neutral	Industry expected to perform in-line with the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
Underweight	Industry expected to underperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.

Scoring model:

The in-house scoring model is derived from Rakuten Trade Research valuation matrix based on earnings growth, earnings visibility, business model, valuation, balance sheet, technical analysis, and shareholder value creation. Each parameter is given a specific weighting.

All buy calls are based on the research team's judgement. Investing is risky and trading is at your own risk. We advise investors to:

- read and understand the contents of the disclosure document or any relevant agreement or contract before investing;
- understand the risks involved in relation to the product or service;
- compare and consider the fees, charges and costs involved; and
- make your own risk assessment and seek professional advice, where necessary.

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained within does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This is not to be taken in substitution for the exercise of judgement by addressees and further shall not be re-distributed to any other third party. Rakuten Trade Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of the contents within or any solicitations of an offer to buy or sell any securities. Rakuten Trade Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may affect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published:

Rakuten Trade

Investment Idea

Join Us @

Rakuten Trade Facebook

Rakuten Trade Ideas

4 February 2026

research@rakutentrade.my

Kenny Yee Shen Pin
Head of Research